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Chairman: Mr. Niculescu ..... (Romania)

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00-69207 (E)

The meeting was called to order at 10.10 a.m.

Agenda item 94: Sustainable development and international economic cooperation (*continued*) (A/55/218)

(a) Implementation of the commitments and policies agreed upon in the Declaration on International Economic Cooperation, in particular the Revitalization of Economic Growth and Development of the Developing Countries, and implementation of the International Development Strategy for the Fourth United Nations Development Decade (*continued*) (A/55/89-E/2000/80, A/55/209)

(b) Integration of the economies in transition into the world economy (*continued*) (A/55/188)

(c) Cultural development (*continued*) (A/55/339)

(d) High-level dialogue on strengthening international economic cooperation for development through partnership (*continued*) (A/55/314)

(e) Implementation of the outcome of the United Nations Conference on Human Settlements (Habitat II) (*continued*) (A/55/83-E/2000/62 and A/55/121)

1. **Mr. Sankhder** (India) said that according to the report of the Secretary-General (A/155/209) no developing country had achieved the goal of a 7 per cent rate of growth of gross domestic product (GDP) set in the International Development Strategy, nor had the number of people living in poverty decreased. The external indebtedness of developing countries instead of decreasing had increased from US$ 1.4 trillion in 1990 to US$ 2.5 trillion in 1999 and the availability of external financial resources had declined.

2. That woefully inadequate record would need to improve dramatically if future generations were to be free from hunger, disease, illiteracy and poverty. It was a matter of concern to his delegation that, although the Secretary-General had, in accordance with General Assembly resolution 54/206, submitted a draft text of an international development strategy for the first decade of the new millennium, the required consultations for establishing the modalities for the consideration and conclusion of the draft strategy for development had not yet taken place.

3. The Millennium Declaration, adopted one month previously, had laid down specific targets for poverty reduction, literacy, health, and other areas. The proposed strategy should be the means for implementing those targets. The importance of mobilizing resources for that purpose should be borne in mind.

4. The five-year review processes of the international conferences held in Rio, Vienna, Cairo, Copenhagen and Beijing over the past decade had all taken place at Summit level and had laid down international development targets for the first 15 years of the millennium. Limited progress had been made in achieving those targets not only because of the lack of resources but also because of the lack of vigour and involvement on the part of the international community.

5. Continuation of the process of sustainable development in developing countries presupposed vigorous national efforts. His Government had overhauled its economic policies and introduced comprehensive reforms thereby stimulating production and encouraged foreign investment. India was now among the 10 fastest-growing economies in the world, and aimed to double per capita income over the next 10 years. National efforts, however, required an enabling international environment and he called on the international community to fulfil the commitments it had undertaken in the fields of trade, financial assistance, transfer of technology and know-how, debt relief and environment.

6. The decline in Official Development Assistance (ODA) and the declining trend in long-term capital flows to developing countries, had not only impacted negatively on development activities but had also considerably affected the fight against poverty. Currently, 1.2 billion people were living on less than one United States dollar per day; a global strategy was therefore needed to tackle poverty. Although growth alone was no panacea for poverty eradication, efforts aimed at poverty reduction in the absence of growth were doomed to fail. The United Nations had a vital role to play in implementing targeted projects at country level and, more importantly, in creating an enabling international economic, trade and financial

environment that promoted the development of developing countries.

7. As the developing countries attempted to integrate into the global economy, the terms of their integration had actually worsened. Expected benefits from the World Trade Organization (WTO) had yet to materialize and debates were dominated by the concerns of industrial countries. While much was said about the need to attract foreign capital, other matters were barely discussed. Even in the traditional manufacturing sector, where the developing countries might have gained an advantage, it had been neutralized through such measures as unfair anti-dumping practices or the imposition of countervailing duties. When those did not work, non-tariff barriers in the guise of social issues, environmental requirements, or even packaging requirements were set up. Nearly eight years previously, the United Nations Development Programme had estimated the cost of lost market opportunities to developing countries at roughly $500 billion per annum. Even on a conservative estimate, the cost would now be closer to a trillion dollars, or nearly twenty times the amount set aside for declining ODA.

8. Existing intellectual property rights and unilateral regimes sharply circumscribed access to technologies by developing countries. The traditional community-based knowledge of developing countries was scarcely acknowledged. India was itself the repository of immense intellectual property and it certainly needed to be protected. However, it should not be viewed through the profit motive alone, a practice neither intended nor encouraged by the WTO.

9. Significant acceleration of growth was impossible without the infusion of external resources. That had been as true for post-Second-World-War Europe as it was now for the African continent. The non-aligned countries had asked the developed countries to reach the agreed United Nations target of 0.7 per cent of their GNP as official development assistance, by 2010 at the latest. If it happened, it would be the single most defining achievement of the next decade. What was required was an overall increase in ODA, not a diversion of focus to proposals related to inter-sectoral allocations of meagre amounts.

10. The issue of external debt had reached alarming and unsustainable proportions. As the Secretary-General had recently stated, the industrialized countries must move faster and farther to release poor countries from crippling debts. Also, debt relief must be additional rather than an alternative to development assistance. Consideration should be given to a framework for debt alleviation for the middle-income developing countries.

11. Special challenges, such as that of AIDS in Africa, could only be met through targeted responses. While a global HIV/AIDS strategy was crucial, special attention had to be focused on specific programmes of development for those countries most affected.

12. The development strategy should be better targeted to the diverse and multinational needs of development, backed by fullest assurances of the availability of the required resources of money, knowledge and technology and, most importantly, securely anchored in a supportive international environment that promoted the development of developing countries, and global prosperity for all.

13. **Mr. Šerkšnys** (Lithuania), speaking on agenda item 94 (e), said that the report of the Secretary-General on coordinated implementation by the United Nations system of the Habitat Agenda (A/55/83-E/2000/62) contained proposals and recommendations to the Economic and Social Council; however, the main responsibility for the implementation and follow-up of the Agenda lay with Member States and the Commission on Human Settlements.

14. In Lithuania, because of a declining population and decreased internal migration, the development of settlements was less urgent than the problem of ensuring an adequate quality of life in existing settlements, especially in suburbs with multifamily buildings. Land-use density and infrastructure development were important in that respect. Land ownership restitution in Lithuania was in its final stage; about 80 per cent of the land was now private.

15. Efforts were being made to improve urban planning and infrastructure development. Under the territorial planning act of 1995, revised territorial planning regulations had been introduced, and a country comprehensive plan had been completed between 1997 and 1999, as well as a comprehensive plan for the city of Vilnius. A number of measures were being implemented to renovate existing housing stock. The World Bank was financing an energy efficiency project, which was resulting in a marked decline in costs and in environmental pollution.

16. Lithuania was trying to increase the supply of long-term housing loans for the purchase or renovation of homes. The construction of new houses was still declining. However, significant qualitative changes were taking place: building requirements were being enforced in order to meet environmental, fire-prevention and hygienic standards, in harmony with European Union directives; and a certification centre for building products had been established.

17. A country profile on the Lithuanian housing sector had been prepared by the Economic Commission for Europe, with input from experts, governmental bodies, non-governmental organizations, local authorities and the private sector. The profile would assist his Government in improving performance in the housing sector, in the context of the transition to a market economy. His Government had strengthened the institutional capacity of the Ministry of the Environment by re-establishing the housing and municipal services department, with responsibility for overall national housing policy and strategy. An act on homeowners' associations had been adopted, and a law on the maintenance of construction works was under consideration. A Lithuanian energy consultants' association had been formed recently, and a loan insurance system had been developed. Lithuania was actively participating in the work of the Habitat office in Budapest.

18. **Mr. Robu** (Moldova), speaking on behalf of Azerbaijan, Georgia, Ukraine and Uzbekistan, and of his own delegation, and referring to agenda item 94 (b), said that the transition process was not merely an economic process, but also involved reforms of the political and social system, carried out by both government and civil society. The majority of market reforms had social, economic and environmental impacts, as a result of which some macroeconomic indices were continuing to worsen. It was therefore necessary to capitalize on the positive aspects of globalization and mitigate its negative effects. Although the intensity of socio-economic problems in many countries with economies in transition appeared to have abated, problems still persisted in some newly independent States, so that the issue of the integration of the economies in transition into the world economy was very pressing. There was a need for financial investment, free access to markets, and improved external conditions for trade, financial and economic activities; it was also imperative that such countries should benefit from additional official development assistance. That process required a collective effort on the part of the entire United Nations system.

19. It was in everyone's interest for the countries with economies in transition to be effectively integrated in the globalized world economy. The United Nations could play a key role in that respect. The report of the Secretary-General (A/55/188) described the activities carried out by a diverse group of United Nations institutions to provide policy advice and technical cooperation to countries with economies in transition.

20. In order to achieve sustainable economic development and eliminate trade barriers and discriminatory policies in international trade, the system of partnership and multilateral trade relations among the countries with economies in transition, developed countries and international organizations and agencies, needed to be improved; the United Nations should play a key role in supporting and coordinating those efforts.

21. The countries on whose behalf he was speaking were actively involved in regional and international cooperation. Developing economic integration with the European Union and with the countries of Central and Eastern Europe was one of the highest priorities. Many activities were implemented in close cooperation with subregional groups and initiatives such as the Black Sea Economic Cooperation Organization, which they had spearheaded. They were currently trying to solve their problems together as partners. Their major cooperation priorities included fostering favourable conditions conducive to economic growth, further developing a safe and efficient Europe-Caucasus-Asia transport and communications corridor, and intensifying mutually beneficial trade relations on the basis of the principles of free trade.

22. **Ms. Wanyonyi** (Kenya), referring to agenda item 94 (e), said that her Government welcomed the appointment of a full-time Executive Director for the United Nations Centre for Human Settlements. After the revitalization and reform processes of the past three years, the Centre was gradually winning the confidence of the States it served.

23. Despite efforts made in Africa over the past four years, a number of factors were reducing the impact of programmes and activities. Global economic changes, had let to cuts in public spending resulting in increased

unemployment and widespread poverty and natural disasters had caused untold suffering since African countries had inadequate capacities for prevention, preparedness, mitigation and response. Armed conflicts and cross-border movements of refugees had also disrupted shelter delivery systems and development in affected and recipient countries; there was a need for conflict resolution and mediation in Africa in order to pave the way for sustainable development; ongoing peace-making efforts should be encouraged and supported.

24. At the national level, the demand for shelter far outstripped supply, leading to poor shelter conditions in both urban and rural areas, overcrowding, slums, and the expansion of informal settlements. Emphasis needed to be placed on the construction of low-cost housing and the promotion of income-generating activities in order to address that problem.

25. The ongoing preparatory process and the special session would provide an opportunity to review achievements, identify challenges and develop forward-looking strategies for the implementation of the Habitat Agenda. It was important that there should be full participation in the special session by all partners in implementation and monitoring; enhanced international cooperation, capacity-building and the transfer of technology were also vital. The international community must honour the commitments made at the United Nations Conference on Human Settlements.

26. Availability of adequate, predictable funding for Habitat was a critical issue in the process of revitalizing, reforming and strengthening the Centre. Her delegation therefore called on the Secretary-General to increase the regular budget allocation to the Centre to enable it to fulfil its mandate. Her delegation sought clarification with regard to the freezing of the post of Assistant Secretary-General of Habitat, as a result of which the only post available for the Executive Director was that of Under-Secretary-General.

27. The task manager system was essential for the coordinated implementation of the Habitat Agenda, and should be made operational. Her Government welcomed the partnership between Habitat and the World Bank through the Cities Alliance and its action plan, Cities without Slums. That collaborative mechanism should allow Habitat to continue to play its normative role, utilizing the expertise already available to it.

28. **Mr. Balarezo** (Peru) said that Peru supported the strategy contained in the Habitat Agenda. National policies for sustainable development of human settlements should be based on participation and decentralization adapted to the particular needs of individual countries. There was also a need for greater transparency in municipal governments to eliminate corruption and make maximum use of available resources for self-help. It was important to recognize the important role of the private sector in that area. Secure tenure was among the most important elements of shelter policy in poverty reduction strategies, and his Government's efforts in both rural and urban areas had benefited many poor families.

29. In the view of his delegation, Governments bore primary responsibility for housing and urban development policy. Peru had benefited from international cooperation in that area and was an active participant in the World Bank "Cities without Slums" initiative. His delegation looked forward to the forthcoming special session of the General Assembly as an opportunity to renew the commitments made in the Habitat Agenda and the Millennium Declaration.

30. **Mr. Hovhannisyan** (Armenia) commended the Secretary-General for his informative report on the integration of the economies in transition into the world economy (A/55/188). Globalization and information technologies had become the engines of economic growth and had allowed even small, landlocked countries like his own to take advantage of global access. In the current environment of globalization, however, many national and regional issues were turning into global challenges which could be met only through cooperative effort.

31. Many of the transition economies had made impressive changes, yet even in countries where considerable progress had been made, there was still a need for resources to strengthen democracy, respect for the rights of minorities and the rule of law. Good governance had been a central theme of the development debate worldwide, and it was key to the transition to a free market and decentralization.

32. Armenia had made efforts to create a favourable macroeconomic climate. Its economy had begun to show gradual growth and inflation had been kept under control. However, it relied heavily on external financial

assistance to cover a high budget deficit and current account deficit. Its trade balance suffered from poor transport and communications links and its relative remoteness as a landlocked country. That isolation was aggravated by a blockade of its transportation routes, which was preventing trade from reaching its full potential.

33. Armenia advocated regional economic cooperation and supported the activities of the Black Sea Economic Cooperation Organization, the Commonwealth of Independent States, the United Nations regional commissions and the European Union. It was confident that such cooperation would help it to transcend the problems of the transition period and facilitate integration into the world economy and world trade.

34. **Mr. Shikhaliyev** (Azerbaijan) said that his delegation fully endorsed the statement by the representative of Moldova. It had carefully studied the report on assistance to the countries with economies in transition, and appreciated the efforts of the United Nations on their behalf. However, those countries, which were passing through the most difficult stage of their development, did not always receive enough attention and understanding from the international community. Globalization could open new possibilities for them, but could also have negative consequences for their economies. The United Nations should provide them with further assistance in forecasting and prevention of the possible negative effects of globalization.

35. Attracting foreign investment was an important area where the international community could assist the transition economies. Through such investment, especially long-term, those countries would benefit from transfer of technology, know-how and experience. His Government attached great importance to the establishment of a favourable climate for foreign investment and was working to establish a legal framework to protect investments and complete the process of privatization and reform of the banking and financial systems. Azerbaijan had experienced some success in that area, but the ongoing conflict in Nagorny-Karabakh was holding it back from reaching its full potential. A final settlement of that conflict and the return of over one million refugees and displaced persons to their homes would help attract foreign investment on both a national and a regional level.

36. The countries with economies in transition were cooperating in the development of their transportation and communications infrastructure through projects to improve transport of oil from the Caspian Sea region, rehabilitate the Great Silk Road and provide for their telecommunications needs through the "Silksat" satellite.

37. The United Nations and its specialized agencies had an important role to play in integrating the countries with economies in transition into the world economy. His delegation supported the efforts of the Department of Economic and Social Affairs, the Economic Commission for Europe and UNDP in the areas of infrastructure, free market development, establishment of a normative framework for foreign investment and information services. He also recognized the work of the World Bank and the International Monetary Fund (IMF) in poverty alleviation and economic stabilization and reform programmes.

38. **Mr. Popov** (Belarus) said that although they were making definite progress in the direction of macroeconomic and financial stabilization, and also economic growth, the States with economies in transition were paying a high "social price" for the economic reforms. Belarus was systematically carrying out its national development model, to achieve a socially oriented market economy which combined private initiative and competition with an active role for the State in the process of reform, in order to link economic effectiveness with a high level of social protection of the citizens.

39. The United Nations specialized agencies, funds and programmes should continue to provide technical cooperation and advisory services to States with economies in transition so as to consolidate the positive macroeconomic changes that had already taken place in those countries. Such cooperation should focus on further integrating countries with economies in transition into international trade and the global economy as a whole; improving their institutional and legal potential to set up an attractive investment climate; and creating favourable conditions to enable States with economies in transition to use information and communication technologies (ICT) in the interests of development so as to successfully integrate those countries into the knowledge-based global economy. In that connection he particularly noted the activities

carried out by UNDP and UNCTAD in implementing General Assembly resolution 53/179.

40. At the same time, he hoped that those agencies would continue assisting interested countries with economies in transition in the negotiations for joining the World Trade Organization.

41. The gradual expansion of the cooperation with the United Nations and the Bretton Woods institutions would help to resolve problems in the effective integration of countries with economies in transition into the global economy. That task should be considered in the framework of achieving the more general aim of strengthening cooperation between the United Nations development system and the Bretton Woods institutions.

42. Belarus appreciated the contribution of the Economic Commission for Europe to the further development of mutually beneficial cooperation in the region, including technical cooperation projects for interested States with economies in transition, and also the expansion of interregional cooperation in various sectors of the economy, trade, and investments.

43. Finally, he said that Governments, organizations and the entire international community must work together to create favourable internal and external conditions for gradual economic growth and successful, socially oriented sustainable growth for all States.

44. **Mr. Öztürk** (Turkey) said that Turkey attached great importance to the success of the Habitat Agenda and was ready to play an active role in activities to promote adequate shelter for all and sustainable urban development, as well as in the global campaigns for secure tenure and good urban governance.

45. Turkey's Habitat Forum (an enlarged version of the national preparatory committee for the Habitat II conference) had already begun preparing for the special session of the General Assembly for the review and appraisal of the implementation of the Habitat Agenda. It had reviewed the key issues of the Habitat Agenda at the national level and had decided, in addition, to organize a workshop on disaster management, due to the devastation and suffering caused by the two major earthquakes in the country in 1999.

46. His Government would continue to support the objectives and activities of Habitat towards the establishment of better human settlements for the new generations of the twenty-first century.

47. **Ms. Girtel** (Canada) said that her delegation welcomed the report of the Director-General of UNESCO on cultural development (A/55/339), as it wished to use every opportunity to highlight the crucial role of culture in the development of creative, prosperous and cohesive societies. Her Government had announced a policy of pursuing an international instrument on cultural diversity, in line with the concept in the Stockholm Action Plan that cultural goods and services should not be treated like other forms of merchandise, and had participated in a recent meeting of Ministers of Culture of various countries where a decision had been taken to focus on such an international instrument as a way of promoting new ways to promote diversity of cultural expression and identity.

48. Her Government was also encouraging discussions on cultural development and the importance of cultural policies for development within various international organizations including the World Trade Organization, the Organization of American States and the Group of Eight.

49. UNESCO had been a key partner in Canada's efforts concerning cultural development and cultural diversity, and Canada had been actively involved in recent efforts by UNESCO to create an international network of observatories on cultural policy. Such a network would facilitate the dissemination of information on cultural policies and support local and international efforts to promote culture as a key element of development.

50. Finally, her delegation supported the upcoming World Conference against Racism, Racial Discrimination, Xenophobia and Related Intolerance as part of its overall efforts to promote cultural diversity and cultural development.

The meeting rose at 11.40 a.m.